

Annual Report

2009-10



Ontario

**Agency for Health
Protection and Promotion**

**Agence de protection et
de promotion de la santé**

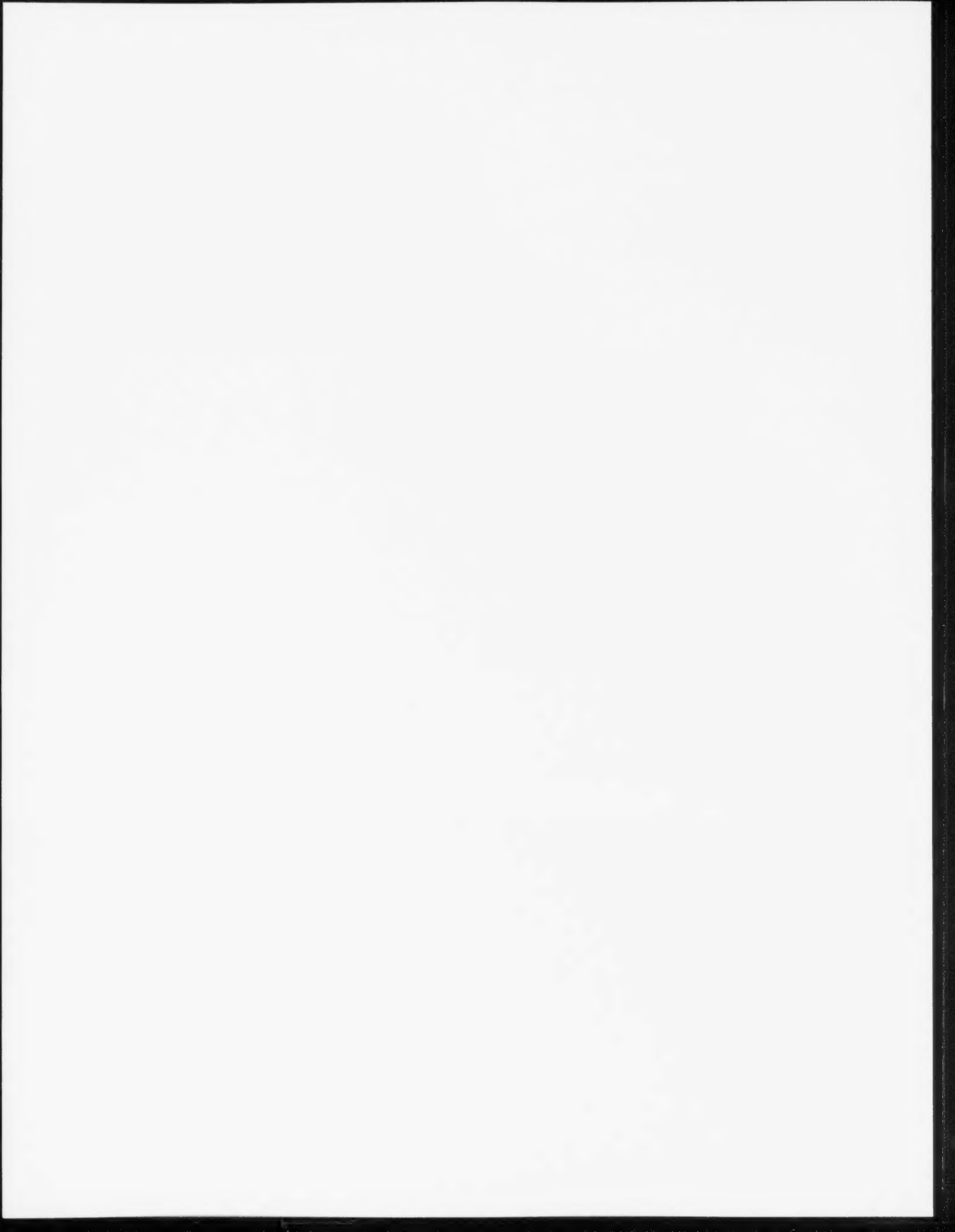


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Message from the chair and vice-chair

We are pleased to present the 2009-10 Ontario Agency for Health Protection and Promotion (OAHPP) Annual Report. Although only in our second year of existence, OAHPP has succeeded in establishing important foundations for scientific and technical support to Ontario's public health system.

The Government of Ontario's vision for an arm's-length advisor on public health, articulated in Operation Health Protection, proved important in supporting the Ministry of Health and Long-Term Care's (MOHLTC) response to pandemic H1N1 (pH1N1). Our ability to enhance public health laboratory capacity in response to clinical demands, our provision of scientific and technical support to the Scientific Response Team of the Ministry Emergency Operations Centre and our ability to conduct urgent public health investigations and relevant research were the products of the government's vision for enhanced public health response.

OAHPP was also able to meet its main objectives for the year of building our organization, developing our scientific and public health program areas and launching the public health laboratory renewal process. We have worked diligently with our MOHLTC colleagues and the staff of other ministries, with public health units, and with health-care providers and institutions to support efforts to protect and promote public health.

We are grateful to our partners at MOHLTC and the Ministry of Health Promotion for their ongoing support of our activities. As envisioned, our staff is also starting to leverage these investments through peer-reviewed grant funding and contracts from diverse public and private sources. Of particular note, we acknowledge the progress that has been made in addressing funding concerns relating to the public health laboratories that were transferred to OAHPP from MOHLTC in December 2008. Uncertainties about funding, pH1N1 and other external factors, and prudent management resulted in our closing the year with a surplus. However, a number of financial risks remain for the laboratories as we move forward. We are pleased that an independent public health laboratory funding review has been commissioned by MOHLTC and we look forward to its results.

On behalf of the board, let us again thank the Government of Ontario for its vision, commitment and support. We look forward to continuing to work with you to advance public health renewal in the year ahead.

Dr. David M.C. Walker
Chair, Board of Directors

Dr. Terrence Sullivan
Vice-chair, Board of Directors

Organizational overview

The Ontario Agency for Health Protection and Promotion (OAHPP) is a component of the comprehensive strategy for public health renewal in the province. The *Ontario Agency for Health Protection and Promotion Act* states that the purpose of OAHPP is to provide scientific and technical advice and support to the health care system and the Government of Ontario in order to protect and promote the health of Ontarians and reduce health inequities.

One of the most important accomplishments of 2009-10 was the development of OAHPP's inaugural three-year strategic plan. It confirmed our vision, mission, mandate and values as shown below.

Vision We will be an internationally recognized centre of expertise dedicated to protecting and promoting the health of all Ontarians through the application and advancement of science and knowledge.
Mission We are accountable to support healthcare providers, the public health system and partner ministries in making informed decisions and taking informed action to improve the health and security of all Ontarians, through the transparent and timely provision of credible scientific advice and practical tools.
Mandate To provide scientific and technical advice for those working to protect and promote the health of Ontarians.
Values Credible, Responsive, Relevant, Innovative, Collaborative, Balanced

The strategic plan also contained three goals, six objectives and three foundational objectives as shown in the "strategic plan at a glance".



In addition to working on and starting the implementation of this strategic plan, our focus for 2009-10 was to build our organization and start the process of enhancing the public health system with a particular focus on renewal and modernization of the public health laboratories. As is often the case for

public health organizations, the best laid plans can be disrupted by events. Last year was no exception when our plans were altered to enable us to effectively support the province in its response to pandemic H1N1 (pH1N1). Although some of our original objectives were delayed, many others were accelerated as a result.

Enhancing the capacity of the public health system

Operation Health Protection outlined several priorities for the renewal of the public health system in Ontario. Modernization and renewal of the Ontario Public Health Laboratories was a key part of the proposal to create the new OAHPP. The continuation and acceleration of the laboratory renewal process, started by the Ministry of Health and Long-Term Care (MOHLTC), was a main priority for OAHPP this past year.

Another crucial element of public health renewal is enhancing support for those working to protect and promote the health of Ontarians. In the past year, we have focused on building our capacity to deliver professional development to support this objective.

Transforming the Ontario public health laboratories

Our multi-year Laboratory Renewal Project builds on the Government of Ontario's commitment to strengthen and enhance the public health laboratories. Foundational projects were completed in many areas, including customer service, automated testing, test-menu review, siting strategy, supply chain management and further implementation of the Laboratory Information System.

As further described in the next section, pH1N1 served as a catalyst for action in our laboratories, whether it was our new molecular testing capacity that identified the virus, our new platforms that processed up to 1,000 tests per day at the peak of the pandemic, or our team of scientific experts who conducted a range of research.

Professional education

Last year we focused on the effective creation, translation and sharing of information and knowledge, and building the infrastructure for a professional development program in public health. OAHPP conducted a wide range of seminars, meetings and symposia to provide scientific and technical information to the public health system.

One of our most successful professional development events was the inaugural Sheela Basrur Centre symposium. Focusing on pH1N1, experts spoke about challenges and opportunities for public health officials, including co-ordination and communication between public health officials and the public.

A further symposium for public health officials took place prior to the second wave of pH1N1 and provided discussion on H1N1 epidemiology and public health strategies and responses.

Pandemic H1N1 response

When MOHLTC first approached us to help support the government's response to pH1N1, our Emergency Management Support team worked to host MOHLTC's Scientific Response Team and provide evidence-informed scientific advice. The public health laboratories also responded quickly to provide unprecedented levels of testing and significantly enhanced molecular diagnostic capacity. Applied research was carried out in collaboration with colleagues across Canada.

OAHPP supported the development of an extensive list of guidance documents and responded to inquiries and requests for information from MOHLTC and the field. Our legislated objective of bridging infection control and occupational health and safety was effectively implemented through close collaboration with the Ministry of Labour.

Our scientific experts spent numerous hours responding to media requests to provide the public with clear and timely information. A weekly literature synthesis was circulated to the field.

The provincial surveillance strategy was developed collaboratively with MOHLTC. OAHPP developed a laboratory surveillance system with daily and weekly reports. A number of public health investigations were conducted at the request of the chief medical officer of health to investigate the risk factors for severe illness, estimate the effectiveness of antiviral and antibiotic treatment, and estimate the influence of the 2008-09 seasonal influenza vaccine on pH1N1 illness. OAHPP also conducted a seroprevalence study, an investigation into rates of transmission in household contacts in collaboration with MOHLTC and public health units, an assessment of behavioural and social attitudes in partnership with the Rapid Risk Factor Surveillance System, an evaluation of predicted rates of adverse events, and influenza genome sequencing studies.

Our ability to step up to support the province was possible because of OAHPP's role as a hub organization linking research, clinical medicine and public health.

OAHPP in the news

Between September and November, OAHPP's media involvement was dominated by issues relating to pH1N1. During this time, our experts were quoted in local and national media outlets over 100 times.

The Toronto Star included a feature story entitled *Flu Fighters*, which profiled Vivek Goel, president and CEO, Brian Schwartz, director, Emergency Management Support, Natasha Crowcroft, director, Surveillance and Epidemiology, and Michael Gardam, director, Infectious Disease Prevention and Control, and provided a comprehensive overview of OAHPP and our role in supporting MOHLTC's pH1N1 response.

Scientific and policy advice

In the past year, scientific and public health support was initiated across all areas of our mandate. Our staff made contributions to science and public health decision-making through involvement in provincial, national and international bodies, including professional associations, expert panels, and boards and committees of diverse organizations.

As a source for scientific and technical advice, OAHPP was called upon for a number of public health issues. For example, Ray Copes, director, Environmental and Occupational Health, provided scientific support to the chief medical officer of health in response to public health concerns about wind turbines, particularly related to the health effects of noise. He also visited several communities and consulted with the public about these concerns.

Research

OAHPP is developing research programs in the areas of population health assessment, infectious diseases, health promotion, chronic disease, injury prevention and environmental health, and co-ordinating public health research with our colleagues in the field. Over the past year we have built partnerships across the province with universities and other health-related research organizations to build our unique research infrastructure. We have conducted research in several areas, involving multiple dimensions and bringing together our scientific expertise and laboratory capacity.

Providing evidence

At the request of the Ministry of Health Promotion, OAHPP assembled a Scientific Advisory Committee to inform the renewal of Ontario's comprehensive tobacco control strategy for 2010-15.

Consistent with OAHPP's mandate as a hub organization, the approach involved bringing together diverse experts to assess and summarize evidence, develop recommendations and ensure scientific rigor.

An international expert panel was convened to provide external peer review. The final report identifies short, medium and long-term performance activities and outcomes, as well as surveillance indicators and benchmarks.

Building our organization

OAHPP is proud of our many accomplishments in 2009-10; one of the most significant being the development and approval of OAHPP's first strategic plan. Over the past year we have built partnerships with our stakeholders, including academic institutions, and our counterparts across the country.

Recognizing that effective partnerships are essential to our success, we have made extensive efforts to establish relationships. Of particular note are the relationships with MOHLTC (including a new minister and chief medical officer of health) and the Ministry of Health Promotion (including a new deputy minister). In addition, we met with our counterpart organizations in other provinces – the Institut national de santé publique du Québec, the BC Centre for Disease Control and the Public Health Agency of Canada – to establish collaborative relationships. Relationships have also been established with the

University of Toronto for medical and scientific staff academic appointments, the University of Guelph for sharing of key expertise in the fields of animal and human health, the Institute for Clinical and Evaluative Sciences and many non-governmental organizations.

OAHP places high priority on sound governance and effective Board of Directors operations. The Governance Committee and the board initiated the Board Governance Development project as a significant and timely step to enhance governance effectiveness.

Directive issued by the chief medical officer of health

In August 2009, the chief medical officer of health asked OAHP to undertake research to help address critical questions about pH1N1 in advance of the fall influenza season. Subsequently, three public health investigations were undertaken.

Report on 2009-10 deliverables

OAHP delivered in all mandate areas outlined in its business plan for the 2009-10 year. In addition, a number of objectives were added, particularly in light of pH1N1 and requests from partner ministries and the field. The original key deliverables are highlighted below.

1.0 Complete implementation of the governance structure

The Board of Directors conducted a governance review and put its standing committees into operation. Our head office was established at the Sheela Basrur Centre at 480 University Avenue in Toronto. We also completed the recruitment of our leadership team.

2.0 Complete and evolve the business foundation

More than 100 new staff were recruited and key systems were implemented to support financial management, procurement and payroll. A comprehensive policy development process was launched and the development of a framework for ongoing planning and performance measurement and management was developed.

3.0 Build partnerships and affiliations

Alignment with existing public health initiatives is a key aspect of building our hub organization. Plans and approvals were obtained for the transfer of the 14 Regional Infection Control Networks, the Infection Prevention and Control Core Competencies and the provincial share of the Public Health Research and Education Development funding from MOHLTC. Responsibility for managing transfer payments for four Health Promotion Resource Centres – the Health Communication Unit, the Alcohol Policy Network, the Ontario Injury Prevention Resource Centre and the Program Training and Consultation Centre – was successfully negotiated and implemented with the Ministry of Health Promotion.

4.0 *Develop knowledge exchange and communications capacity*

A significant focus in this area related to supporting the response to pH1N1, as highlighted above. Work on laying the foundations in this area commenced.

5.0 *Strengthen and support capacity for disease and risk factor surveillance*

In addition to developing a surveillance plan for OAHPP a number of projects were initiated, including childhood healthy weights surveillance in collaboration with the Association of Local Public Health Agencies and a report on the burden of infectious diseases in collaboration with the Institute for Clinical Evaluative Sciences.

6.0 *Strengthen and support capacity for infectious disease prevention and control in community and hospital settings*

OAHPP continued to deploy Infection Control Response Teams at the request of the chief medical officer of health, local medical officers of health and hospitals to investigate and control nosocomial outbreaks. In addition to planning for the transfer of key initiatives in infection prevention and control such as the Regional Infection Control Networks and Core Competencies, the development of a comprehensive strategy for supporting infectious disease prevention and control in both community and institutional settings was commenced.

7.0 *Build OAHPP's role in emergency/exigent circumstances and develop capacity to provide support as requested by the chief medical officer of health*

Planned work in this area was significantly affected by the need to support the pandemic response. However, this work greatly accelerated the identification of key requirements of essential protocols for OAHPP to support public health emergency management and business continuity.

8.0 *Assist and facilitate health promotion, chronic disease and injury prevention activities*

While the plan for this past year had been to complete the establishment of this area, significant additional advances were made, particularly with respect to support for the Scientific Advisory Committee on the Smoke-Free Ontario Strategy renewal.

9.0 *Identify OAHPP's role in environmental and occupational health*

This area was established and significant scientific and technical advice was provided to government and the field on a broad range of issues.

10.0 *Continue renewal of the public health laboratories and their integration into the broader OAHPP mandate*

The integration of the public health laboratories into OAHPP, the launch of laboratory renewal and support for pH1N1 testing were major activities in this area. The renewal strategy includes a comprehensive review of test menu and siting for the laboratories. The Board of Directors had

to make an early decision regarding closure of the Windsor laboratory given a request from the Ministry of Transportation for the premises as part of the Windsor-Essex Parkway construction.

11.0 *Meet legal obligations set out in legislation, the Memorandum of Understanding, the Funding Accountability Agreement and the Public Health Laboratories Transfer Agreement*

OAHP met all of its obligations and ensured that it was in compliance with all applicable Management Board directives.

Financial performance

Financial results

OAHP has managed the resources provided to it in a prudent and careful manner. The Finance and Audit Committee of the board has regularly reviewed operating plans, forecasts and financial reports.

OAHP ended the year in a break even position after returning \$1.7 million in operational funding to the government. Of the funds returned, \$1.1 million related to one-time funding received for a pilot project involving laboratory testing of small drinking water systems that was not undertaken due to external factors. The balance is attributable to delays in various recruitments and projects as a result of OAHP's need to redirect resources in support of pH1N1, and the virtual absence of a normal influenza season following the outbreak, which reduced laboratory testing supply requirements.

In achieving a break-even position, OAHP acknowledges MOHLTC special funding received this year in the amount of \$6.6 million to support extraordinary pH1N1 expenditures. This is in addition to \$5.8 million of support from OAHP's base budget towards pH1N1 expenditures, including \$1.2 million of direct incremental costs and \$4.6 million of compensation and associated costs relating to staff assigned to support pH1N1.

Over the course of the year, significant progress has been made in partnership with MOHLTC towards ensuring the operational resources required to maintain and operate the public health laboratories are available to OAHP. In order to address areas of uncertainty and risk, an agreement was reached with MOHLTC to conduct a third-party review of funding.

Operating surplus

OAHP is required to report its financial results in accordance with accounting principles for governments as established by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants (CICA).

Under PSAB accounting principles, revenues include the amounts used to purchase equipment and other capital purchases to establish our new offices. The related expenditures are capitalized as assets, and amortized over their estimated useful lives. The entire operating surplus is the result of recognizing all this revenue in the year, while the related capital asset amortization expense will be recognized over the estimated useful lives of the acquired assets.

In contrast, under generally accepted accounting principles in the CICA Handbook – Accounting this revenue would have been recorded as deferred capital contributions and recognized as revenue on the same basis as the acquired capital assets were expensed.

PSAB – generally accepted accounting principles (GAAP) comparison

OAHP's full audited financial statements presented in accordance with PSAB are included in this annual report.

Since many other government agencies, boards and commissions, as well as non-profit organizations use the CICA standards, a comparison of OAHP's statements of operations and financial position presented under PSAB and CICA standards has been included in the tables that follow.

STATEMENT OF OPERATIONS		
Year ended March 31, 2010		
000's	PSAB [audited] \$	CICA [unaudited] \$
REVENUE		
Ministry of Health and Long-Term Care	120,827	112,529
Other grants	710	710
Miscellaneous recoveries	363	363
Amortization of deferred capital contributions	-	3,348
	121,900	116,950
EXPENSES	116,950	116,950
Operating surplus	4,950	0

STATEMENT OF FINANCIAL POSITION

As at March 31, 2010

000's	PSAB [audited]	CICA [unaudited]
Financial assets	20,932	20,932
Prepaid expenses	-	651
Capital assets, net	-	17,737
	<u>20,932</u>	<u>39,320</u>
Liabilities	21,321	21,321
Net debt	(389)	-
Deferred capital contributions	-	17,737
		<u>39,058</u>
Non-financial assets		
Prepaid expenses	651	-
Capital assets, net	17,737	-
	<u>18,388</u>	<u>-</u>
Accumulated surplus/net assets	17,999	262

Financial statements

AUDITORS' REPORT

To the Members of
Ontario Agency for Health Protection and Promotion

We have audited the statement of financial position of **Ontario Agency for Health Protection and Promotion** as at March 31, 2010 and the statements of operations and changes in accumulated surplus, changes in net debt and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Ernst & Young LLP

Toronto, Canada,
May 19, 2010.

Chartered Accountants
Licensed Public Accountants

Ontario Agency for Health Protection and Promotion

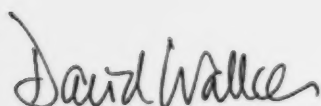
STATEMENT OF FINANCIAL POSITION
[in thousands of dollars]

As at March 31

	2010 \$	2009 \$
FINANCIAL ASSETS		
Cash	13,089	11,012
Restricted cash [note 4]	7,684	7,734
Accounts receivable	159	233
	20,932	18,979
LIABILITIES		
Accounts payable and accrued liabilities	13,619	12,702
Accrued benefit liability [note 8]	5,350	4,831
Deferred revenue – severance credits [note 6]	1,376	1,483
Deferred revenue – restricted funds [note 7]	210	153
Deferred revenue – other	766	141
	21,321	19,310
Net debt	(389)	(331)
NON-FINANCIAL ASSETS		
Prepaid expenses	651	592
Capital assets, net [note 5]	17,737	12,788
	18,388	13,380
Accumulated surplus	17,999	13,049
Commitments and contingencies [note 11]		

See accompanying notes

On behalf of the Board:



Director



Director

Ontario Agency for Health Protection and Promotion

STATEMENT OF OPERATIONS AND CHANGES IN ACCUMULATED SURPLUS
[in thousands of dollars]

Year ended March 31

	<u>2010</u>		<u>2009</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
	<u>[unaudited]</u>		
	\$	\$	\$
<hr/>			
REVENUE			
Ministry of Health and Long-Term Care	122,326	120,827	43,475
Other grants	499	710	222
Public health laboratories transferred capital assets [note 2]	—	—	6,521
Miscellaneous recoveries	50	363	231
	<hr/> 122,875	<hr/> 121,900	<hr/> 50,449
<hr/>			
EXPENSES [note 10]			
Public health laboratory program	95,584	95,272	24,174
Other public health programs	8,972	8,809	2,381
General and administration [2009 - including start-up]	13,411	12,869	10,845
	<hr/> 117,967	<hr/> 116,950	<hr/> 37,400
<hr/>			
Operating surplus	4,908	4,950	13,049
Accumulated surplus, beginning of year	14,191	13,049	—
Accumulated surplus, end of year	<hr/> 19,099	<hr/> 17,999	<hr/> 13,049
<hr/>			

[note 2]

See accompanying notes

Ontario Agency for Health Protection and Promotion

STATEMENT OF CHANGES IN NET DEBT
[in thousands of dollars]

Year ended March 31

	<u>2010</u>		<u>2009</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
	<u>[unaudited]</u>		
	\$	\$	\$
<i>[note 2]</i>			
Operating surplus	4,908	4,950	13,049
Acquisition of capital assets			
Purchased	(8,298)	(8,298)	(7,640)
Transferred	—	—	(6,521)
Amortization of capital assets	3,390	3,349	1,373
Increase in prepaid expenses	—	(59)	(592)
Increase in net debt	—	(58)	(331)
Net debt, beginning of year	(652)	(331)	—
Net debt, end of year	(652)	(389)	(331)

See accompanying notes

Ontario Agency for Health Protection and Promotion

STATEMENT OF CASH FLOWS
[in thousands of dollars]

Year ended March 31

	2010	2009
	\$	\$
OPERATING TRANSACTIONS		
Operating surplus	4,950	13,049
Add (deduct) items not affecting cash		
Public health laboratories transferred capital assets	—	(6,521)
Amortization of capital assets	3,349	1,373
	8,299	7,901
Changes in non-cash operating items		
Decrease (increase) in accounts receivable	74	(233)
Increase in accrued benefit liability	519	4,831
(Decrease) increase in deferred revenue – severance credits	(107)	1,483
Increase in deferred revenue – restricted funds	57	153
Increase in deferred revenue – other	625	141
Increase in accounts payable and accrued liabilities	917	12,702
Increase in prepaid expenses	(59)	(592)
Decrease (increase) in restricted cash	50	(7,734)
Cash provided by operating transactions	10,375	18,652
CAPITAL TRANSACTIONS		
Acquisition of purchased capital assets	(8,298)	(7,640)
Cash applied to capital transactions	(8,298)	(7,640)
Net increase in cash during the year	2,077	11,012
Cash, beginning of year	11,012	—
Cash, end of year	13,089	11,012

See accompanying notes

1. DESCRIPTION OF THE ORGANIZATION

Ontario Agency for Health Protection and Promotion ["OAHPP"] was established under the Ontario Agency for Health Protection and Promotion Act, 2007 as a corporation without share capital. OAHPP's mandate is to enhance the protection and promotion of the health of Ontarians, contribute to efforts to reduce health inequities, provide scientific and technical advice and support to those working across

sectors to protect and improve the health of Ontarians and to carry out and support activities such as population health assessment, public health research, surveillance, epidemiology, planning and evaluation.

Under the Ontario Agency for Health Protection and Promotion Act, 2007, OAHPP is primarily funded by the Province of Ontario.

2. TRANSFER OF THE PUBLIC HEALTH LABORATORIES

Pursuant to the Transfer Agreement dated November 25, 2008 with the Ministry of Health and Long-Term Care ["MOHLTC"] [the "Laboratories Transfer Agreement"], Ontario's public health laboratories ["PHL"] were transferred to OAHPP effective December 15, 2008. The financial statements for the year ended March 31, 2009 include financial transactions of the laboratories commencing December 15, 2008.

The Laboratories Transfer Agreement provided for the transfer to OAHPP of the:

- operations of the 12 public health laboratories;
- employees, with their existing collective agreements;
- equipment; and
- supply and other contracts.

As a result of this transfer, the transferred capital assets were recorded at their estimated fair market value of \$6,521 as of the date of transfer [note 5] with the offset recorded as PHL transferred capital assets revenue in the statement of operations and changes in accumulated surplus.

The MOHLTC provided OAHPP with funding of \$7,618 related to the liability assumed by OAHPP in connection with severance [note 6] and other credits [primarily accrued vacation pay] related to transferred employees. These funds were recorded as restricted cash [note 4]. The Laboratories Transfer Agreement provides for the drawdown of the funds when transferred employees cease employment with OAHPP.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for governments as established by the Public Sector Accounting Board ["PSAB"] of the Canadian Institute of Chartered Accountants.

Revenue recognition

Unrestricted contributions, which include transfers from MOHLTC, are recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions, which include transfers from MOHLTC, are recognized as revenue in the period in which the related expenses are incurred.

Revenue from other sources is recognized when the goods have been sold or when the services have been rendered.

Capital assets

Capital assets are recorded at acquisition cost. Contributed capital assets are recorded at fair market value at date of contribution. Amortization is provided on a straight-line basis based upon the estimated useful service lives of the assets as follows:

Building service equipment	5-30 years
Other equipment	5-10 years
Furniture	5-20 years
Leasehold improvements	Over the term of the lease

Inventory and other supplies held for consumption

Inventory and other supplies held for consumption are expensed when acquired.

Employee future benefits

Contributions to multi-employer, defined benefit pension plans are expensed when contributions are due.

Other employee future benefits are non-pension benefits that are provided to certain employees and are accrued as the employees render the service necessary to earn these future benefits. The cost of these future benefits is actuarially determined using the projected unit credit method, prorated on service and management's best estimate of expected salary escalation and retirement ages of employees. Net actuarial gains and losses related to the employee future benefits are amortized over the average remaining service life of the related employee group. Employee future benefit liabilities are discounted using the average interest cost for the Province of Ontario's net new debt obligations with maturities that correspond to the duration of the liability.

Foreign currency translation

Revenue and expenses denominated in foreign currencies are translated into Canadian dollars at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rate in effect at year end. Gains or losses arising from translation of short-term monetary assets are included in the statement of operations and changes in accumulated surplus.

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

4. RESTRICTED CASH

[a] Restricted cash consists of the following:

	2010 \$	2009 \$
Ministry of Health and Long-Term Care <i>[note 6]</i>	7,474	7,581
Sheela Basrur Centre <i>[note 7]</i>	210	153
	7,684	7,734

[b] The continuity of the MOHLTC restricted cash is as follows:

	2010			
	Severance Total	Other \$	credits \$	credits \$
Restricted cash, beginning of year	6,219	1,362	7,581	
Interest earned	30	6	36	
Restricted cash draw down	(113)	(30)	(143)	
Restricted cash, end of year	6,136	1,338	7,474	

	2009			
	Severance Total	Other \$	credits \$	credits \$
Restricted cash, beginning of year	6,250	1,368	7,618	
Interest earned	—	—	—	
Restricted cash draw down	(31)	(6)	(37)	
Restricted cash, end of year	6,219	1,362	7,581	

5. CAPITAL ASSETS

Capital assets consist of the following:

	2010		
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Building service equipment	337	51	286
Other equipment	16,850	3,764	13,086
Furniture	1,713	391	1,322
Leasehold improvements	3,559	516	3,043
	22,459	4,722	17,737

	2009		
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Building service equipment	335	17	318
Other equipment	9,705	1,004	8,701
Furniture	1,098	110	988
Leasehold improvements	3,023	242	2,781
	14,161	1,373	12,788

6. DEFERRED REVENUE - SEVERANCE CREDITS

Deferred revenue – severance credits represents the difference between the restricted cash held for severance credits and the portion of the accrued benefit liability associated with service prior to the transfer of employees of the laboratories to OAHPP [note 8[b]].

7. DEFERRED REVENUE – RESTRICTED FUNDS

Deferred revenue – restricted funds represent unspent externally restricted grants and donations in support of OAHPP objects.

Deferred revenue – restricted funds consist of the following:

	2010 \$	2009 \$
Sheela Basrur Centre [note 4[a]]	210	153
Deferred revenue as at March 31	210	153

The balance of \$210 [2009 - \$153] represents unspent funds held by OAHPP restricted for the Sheela Basrur Centre ["the Centre"] outreach programs. In addition to these funds, \$165 [2009 - \$156] is held by the Toronto Community Foundation for the benefit of the Centre and its programs.

Named after the late Dr. Sheela Basrur, a former Chief Medical Officer of Health for the Province of Ontario, the Centre was created to become a prominent provider of public health education and training.

8. EMPLOYEE FUTURE BENEFIT PLANS

[a] Multi-employer pension plan

Certain employees of OAHPP are members of the Ontario Public Service Employees Union ["OPSEU"] Pension Plan, the Healthcare of Ontario Pension Plan ["HOOPP"] or the Ontario Public Service Pension Plan ["PSPP"], which are multi-employer, defined benefit pension plans. These pension plans are accounted for as defined contribution plans. OAHPP contributions to the OPSEU Pension Plan, HOOPP and PSPP during the year amounted to \$1,712 [2009 - \$480], \$885 [2009 - \$199], and \$402 [2009 - \$92], respectively, and are included in expenses in the statement of operations and changes in accumulated surplus.

[b] Severance credits

OAHPP assumed the non-pension post-employment defined benefit plan from the Government of Ontario as part of the PHL transfer. These defined benefit plans include a benefit of one week of salary for each year of service [to a maximum of half of an employee's annual salary] payable to certain employees upon termination or retirement from OAHPP. The latest actuarial valuation for the non-pension post-retirement defined benefit plan was performed as of December 15, 2008. OAHPP measures its accrued benefit obligation for accounting purposes as at March 31 of each year based on an extrapolation from the latest actuarial valuation.

The accrued benefit liability as at March 31, 2010 is calculated as follows:

	2010
	\$
Accrued benefit liability, beginning of year	4,831
Expense for the year	632
Benefits paid [note 4[b]]	(113)
Accrued benefit liability, end of year	5,350

The accrued benefit liability as at March 31, 2009 is calculated as follows:

	2009
	\$
Accrued benefit liability at December 15, 2008	4,672
Expense from December 15, 2008 to March 31, 2009	190
Benefits paid from December 15, 2008 to March 31, 2009 [note 4[b]]	(31)
Accrued benefit liability, end of year	4,831

The significant actuarial assumptions adopted in measuring OAHPP's accrued benefit obligation and expense are as follows:

	2010	2009
	%	%
Discount rate	5.30	5.30
Rate of compensation increase	3.50	3.50
Rate of inflation	2.50	2.50

9. BUDGET FIGURES

The budget figures are based on the original approved MOHLTC transfer payments by program and one time payments for Pandemic H1N1 2009 virus expenditures, with the expenses adjusted for the funding for purchased capital asset acquisitions.

10. EXPENSES BY OBJECT

The expenses by object are as follows:

	2010	2009
	\$	\$
Salaries and wages	48,688	15,184

Employee benefits [note 8]	10,470	2,679
Transportation and communication	3,864	797
Services	21,557	9,638
Supplies and minor equipment	29,022	7,729
Amortization of capital assets	3,349	1,373
	116,950	37,400

11. COMMITMENTS AND CONTINGENCIES

- [a] Under the Laboratories Transfer Agreement, MOHLTC is responsible for all obligations and liabilities in respect of the public health laboratories that existed as at the transfer date or which may arise thereafter and have a cause of action that existed prior to the transfer date.
- [b] OAHPP is a member of the Healthcare Insurance Reciprocal of Canada ["HIROC"]. HIROC is a pooling of the liability insurance risks of its members. All members of the pool pay annual deposit premiums which are actuarially determined and are expensed in the current year. These premiums are subject to further assessment for experience gains and losses, by the pool, for prior years in which OAHPP participated. To March 31, 2010, no assessments have been received.
- [c] The committed future minimum annual payments under operating leases consist of the following:

	\$
2011	8,199
2012	8,514
2013	2,213
2014	1,896
2015	1,747
Thereafter	7,100

12. COMPARATIVE FINANCIAL STATEMENTS

The comparative financial statements have been reclassified from statements previously presented to conform to the presentation of the 2010 financial statements.

Appointees to the Board of Directors

Name	Location	Current term length (years)	Current term
Janet Hatcher Roberts	Ottawa	3	May 6, 2009 - May 5, 2012
Warren Law	Toronto	3	May 6, 2009 - May 5, 2012
Richard Massé	Montreal	3	Jun 27, 2008 - Jun 26, 2011
Alan Meek	Guelph	3	Sept 12, 2009 - Sept 11, 2012
Liana Nolan	Waterloo	3	Jul 25, 2008 - July 24, 2011
Pierre Richard	Ottawa	3	May 6, 2009 - May 5, 2012
Terry Sullivan (Vice-Chair)	Toronto	3	Jul 25, 2008 - Jul 24, 2011
Judith Tompkins	Toronto	3	Jul 25, 2008 - Jul 24, 2011
David Walker (Chair)	Kingston	3	Jun 27, 2008 - Jun 26, 2011
Carole Weir	Kingston	3	May 6, 2009 - May 5, 2012
Ron Yamada	Toronto	2	Aug 12, 2008 - Aug 11, 2010



The Ontario Agency for Health Protection and Promotion (OAHP) is an arm's-length government agency dedicated to protecting and promoting the health of all Ontarians and reducing inequities in health. As a hub organization, OAHP links public health practitioners, front-line health workers and researchers to the best scientific intelligence and knowledge from around the world. OAHP provides expert scientific and technical support relating to infection prevention and control; surveillance and epidemiology; health promotion, chronic disease and injury prevention; environmental and occupational health; health emergency preparedness; and public health laboratory services to support health providers, the public health system and partner ministries in making informed decisions and taking informed action to improve the health and security of Ontarians.



Ontario

**Agency for Health
Protection and Promotion**

**Agence de protection et
de promotion de la santé**

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